

Power for the People VA

Virginia energy policy made interesting

Monthly Archives: May 2014

Who's afraid of a Carbon Rule?

May 29, 2014 by Ivy Main



(<https://powerforthepeopleva.files.wordpress.com/2014/05/time-to-cut-carbon.jpg>).

Climate activists urge action to curb carbon emissions at a demonstration in Richmond, Virginia. Photo by Josh Lopez, courtesy of the Sierra Club.

When I was a law student working at the U.S. EPA in the '80s, we sued a company that had been polluting a Maine river for years. Back then, EPA calculated penalties based on the amount of money a polluter saved by ignoring the requirements of the Clean Water Act. The idea was to take away the economic benefit of pollution so that companies would make out better by installing treatment systems than by imposing their toxic waste on the community.

Not surprisingly, the company's lawyers tried to prevent their client from having to pay a penalty for all those years it had been dumping pollution into the river. But their reasoning was interesting. Faced with the lawsuit, the company overhauled its industrial process and eliminated most of its waste products,

which turned out to be a money-saving move. Thus, said the lawyers, the company hadn't gained any competitive advantage by polluting the river; it had actually lost money doing so. Really, they'd have made a lot more money if we'd forced them to clean up their act sooner.

Needless to say, the argument didn't fly, and the company paid a fine. But its experience turns out to have been a common one. When it comes to environmental regulation, industry screams that the sky is falling, but then it gets to work to solve the problem, and frequently ends up stronger than ever.

This is one reason to be skeptical of ad campaigns from the U.S. Chamber of Commerce and the National Mining Association trying to convince the public that the EPA's new regulations on carbon pollution from power plants (http://www.washingtonpost.com/politics/epa-is-readying-climate-rule-for-existing-power-plants-as-deadline-approaches/2014/05/21/8d1c0b5c-e088-11e3-9743-bb9b59cde7b9_story.html), to be announced on June 2, will destroy the American economy. They've cried wolf so many times they have lost all credibility.

And in case you are of a generous nature and inclined to forgive previous false alarms, it's worth noting that the National Mining Association campaign earned the maximum four Pinocchios from the *Washington Post* fact-checker — meaning, it's a pack of lies (<http://www.washingtonpost.com/blogs/fact-checker/wp/2014/05/23/a-bogus-claim-that-electricity-prices-will-nearly-double-because-of-clean-coal-technology/>). The EPA has been scarcely kinder (<https://blog.epa.gov/epaconnect/2014/05/setting-the-record-straight-on-the-chamber-of-commerces-report/>), in its analysis of the Chamber's campaign, and the economist Paul Krugman says the Chamber's own numbers actually prove compliance with the carbon rule will be cheap (<http://krugman.blogs.nytimes.com/2014/05/28/cheap-climate-protection/>).

At least we can understand the American Mining Association's fabricating facts. These are coal mining companies, after all; of course they are opposed to limits on carbon! They're like the tobacco companies fighting limits on smoking. In fact, they're in a worse position, because a good many smokers say they like tobacco, whereas nobody who isn't making money from it likes coal.

But we can't cut the Chamber the same kind of slack. There is little reason to fear the economy will suffer by continuing the gradual phase-out of coal that is already underway. No one was building new coal plants anyway; they are too expensive compared to natural gas plants and wind farms. The old, dirty, but fully amortized coal plants will gradually be retired, and good riddance. We have paid dearly for that "cheap" power in health care for asthma and heart disease, in premature deaths, and in babies born with neurological damage from mercury in their mothers' bodies.

Nor does the Chamber's anti-carbon rule stance accurately reflect the opinions of the energy sector as a whole. Even those electric utilities that once relied heavily on coal have proven to be fickle friends. Many of them have already said (<http://www.bloomberg.com/news/2014-05-22/obama-divides-power-players-with-rule-utilities-accept.html>), they can live with a carbon rule that lets them swap fuel sources.

And while coal declines, other energy industries are growing and flourishing. The breathtaking pace of advances in wind, solar and battery technologies make it clear that the age of fossil fuels will end in this century. There will be winners and losers, as there always are in a free market, but the new energy economy offers so many opportunities for American companies and workers that one wishes the fear-mongers at the Chamber would stretch their necks out of their bunker far enough to see the horizon.

As for society in general, we have seldom seen a limit on pollution that didn't make us collectively better off, and carbon will be no exception. It is always easier and cheaper to stop pollution at its source than to clean it up later or pay for the damage. That will be true here in spades, where the damage includes

hotter summers, more crop losses, more disease, more destructive storms, and whole communities swamped by rising sea levels. These are already happening, and they affect both our health and our wallets. Failing to limit carbon condemns us all to economic decline and slow self-destruction.

Surely, all we have to fear about the EPA's upcoming carbon rule is that it might not be strong enough.

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News on renewables makes Virginians green, but not in a good way.

May 21, 2014 by Ivy Main



(<https://powerforthepeopleva.files.wordpress.com/2014/05/where-are-the-renewables-1.jpg>).

Virginians want wind and solar. Bummer, y'all.

On May 20, the Georgia Public Service Commission signed off on two power purchase agreements that will add 250 megawatts (MW) of wind energy.

(http://www.bizjournals.com/atlanta/blog/capitol_vision/2014/05/regulators-ok-georgia-power-wind)

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[energypurchase.html?utm_source=feedburner&utm_medium=feed&utm_campaign=Feed%3A+bizj_atlanta+\(Atlanta+Business+Chronicle\)\)](#), to the state's electricity mix. This comes on top of earlier commitments to solar energy that, combined with the wind power, will give Georgia more than 1,000 megawatts of renewable energy capacity by 2016.

While we certainly want to congratulate Georgia on its commitment to clean energy, the news has turned Virginia advocates a little green—and not in a good way. We can only wish this were us. Virginia has no wind energy to boast about, and about 15-18 megawatts of solar, according to estimates from the Department of Mines, Minerals and Energy.

This comes on top of other recent announcements about the great strides being made in renewable energy nationwide. If you can stomach it, here are the numbers: the U.S. installed over 1,000 MW of wind in 2013, and another 485 MW of wind just in the first quarter of 2014, bringing the total installed capacity to date to over 61,000 MW (<http://www.awea.org/Resources/Content.aspx?ItemNumber=5059>). More than 7,000 MW are in development

In Virginia, we have a few backyard turbines.

Solar, for its part, keeps breaking records, with over 4,700 MW installed in 2013 (<http://www.seia.org/research-resources/solar-industry-data>), a 41% increase over the previous year, and another 680 MW in the first quarter of 2014.

Virginia solar broke into the double digits—bring out your horns and whistles!—thanks to the efforts of homeowners, colleges, the military, a few progressive towns and a handful of consumer-conscious businesses. As for our utilities, they have developed less than 1 MW of wind and solar in the Commonwealth.

Oh, but Dominion Resources, the parent of Dominion Virginia Power, just bought a 7.7 MW solar project (http://www.timesdispatch.com/business/investment/dominion-resources-buys-george-solar-power-project/article_b5de53fa-f787-5c9c-8fb8-fed794f771b2.html). In, um, Georgia.

Changing to a local focus won't help our case of envy. West Virginia doesn't have much solar, but it has 583 MW of wind energy (<http://www.awea.org/Resources/state.aspx?ItemNumber=5178>). North Carolina doesn't have much wind, but it installed 335 MW of solar energy in the last year alone (<http://www.seia.org/state-solar-policy/north-carolina>). Maryland is up to 142 MW of solar (<http://www.seia.org/state-solar-policy/maryland>) and 120 MW of wind (<http://www.awea.org/Resources/state.aspx?ItemNumber=5219>).

Tennessee—Tennessee!—has 29 MW of wind (<http://www.awea.org/Resources/state.aspx?ItemNumber=5184>) and 74 MW of solar (<http://www.seia.org/state-solar-policy/tennessee>).

If we were shooting for last place among east coast states in the race to develop renewable energy, we might be able to congratulate ourselves. We are doing a great job of falling further and further behind.

Sadly, Virginia, there is no consolation prize.

Posted in [Renewable energy](#), [Solar](#) | Tagged [clean energy](#), [Dominion Power](#), [environment](#), [renewable energy](#), [solar](#), [Virginia](#), [wind energy](#), [Tom Farrell](#), [wind power](#) | [2 Comments](#)

APCo wants higher bills for homeowners who go solar

May 13, 2014 by Ivy Main



(<https://powerforthepeopleva.files.wordpress.com/2014/04/solar-panel-install-credit-dennis-schroeder-nrel.jpg>).

Workers installing solar on a roof. Photo credit: Dennis Schroeder, NREL

Update: The SCC approved APCo's standby charges with a small modification. As it had when considering Dominion's standby charge, the SCC declined to consider the benefits of solar to APCo.

See <http://www.scc.virginia.gov/docketsearch/DOCS/303%2301!.PDF>

(<http://www.scc.virginia.gov/docketsearch/DOCS/303%2301!.PDF>) at page 36-37.

Appalachian Power Company (APCo) is seeking permission from utility regulators to impose new "standby" charges on residential customers who install solar systems over 10 kilowatts (kW). The fee is included in the company's latest rate proposal, now before the State Corporation Commission.

According to the filing, the transmission and distribution charges would add \$3.77 per kW to the monthly bill of a customer who goes solar with a large residential system. That means homeowners with 10 kW systems would pay an added \$37.70 per month. Charges would escalate to \$75.40 per month for homes with 20 kW systems, the largest size allowed under net-metering rules.

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Ex. 1018

So the potential is there for a solar homeowner to owe over \$900 per year in new charges on his electric bill. But according to APCo, only three customers in all of its Virginia territory have systems large enough to qualify for a standby charge, with no additional big systems in the queue.

That's right: APCo is spending many, many thousands of dollars on lawyers and consultants so it can change rules that affect three people.

Ahem. Lest anyone think APCo is worried about cost. APCo's decision to move now proves this is not about freeloaders on the grid. This is about protecting the corporate monopoly on electric power by shutting down the independent solar industry while it is still small.

In this, APCo is following the lead of Dominion Power, which got the SCC to approve similarly onerous standby charges on its own large residential solar customers in 2011. The utility's ability to do so was authorized that year by a bill amending section 56-594 of the Virginia Code. The statute leaves it up to utilities and the SCC to determine the amount.

The Virginia solar industry acquiesced to the standby charge language as part of a deal that raised the residential net metering limit from 10 kW to 20 kW. Industry members assumed any charges the SCC approved under the law would be modest, given the many benefits solar brings to the grid.

Their assumption proved spectacularly wrong. The SCC bought Dominion's arguments about solar homeowners not paying their "fair share," dismissing expert testimony and findings from other states that solar enhances grid security and offsets peak demand.

The result has been a clear setback for the solar industry's ability to sell larger home systems. Dominion's steep standby charges "are forcing the solar industry to take a step backward when we've worked so hard to make positive steps forward," says Andrew Skinner, Project Manager with Prospect Solar (<http://www.prospectsolar.com/>), in Sterling, Virginia. "Working with several small farms and residences in rural VA, we have had to design right up to the threshold of the standby charge to make the economic case most compelling."

Dominion and APCo are following the playbook of the American Legislative Exchange Council (ALEC), a secretive corporate lobbying organization that seeks to roll back pro-renewable energy laws across the country. The parent companies of both Dominion and APCo are members of ALEC (http://www.sourcewatch.org/index.php?title=ALEC_Corporations), and Dominion's president, Bob Blue, served on ALEC's energy and environment task force with representatives from the American Petroleum Institute, the American Coalition for Clean Coal Electricity, the science-obfuscation shop Heartland Institute, and other champions of all things fossil. (Greenpeace recently announced that six utilities have resigned from ALEC (<http://greenpeaceblogs.org/2014/05/01/greenpeace-confirms-six-utilities-quietly-dumped-alec/>); unfortunately our guys were not among them.)

Given that APCo's proposed standby charges are so similar to Dominion's, APCo probably figures its request is a slam-dunk at the SCC. And given how few people are affected, it may be tempting to ignore it. But just last summer Dominion signaled its intent to try to extend its own standby charges to more solar customers, which makes the issue relevant to everyone who owns a solar system, wants one, or supports the rights of others to buy them.

Whether utilities should be loading up their solar customers with added fees is also at the heart of two studies getting underway in Virginia this year examining the costs and benefits of solar, one of them under the auspices of the Department of Mines, Minerals and Energy and the Department of

Environmental Quality, and the other by the SCC itself. With a consumer backlash growing nationwide against utility efforts to “tax the sun,” APCo’s move looks like a way to lock in a rate increase on solar owners before the data is in—and before its customers catch on.

It’s especially unfortunate that the utilities’ push against net metered solar comes at a time when we are beginning to see a flourishing of the solar market. Total installed solar in Virginia has leapt from under 5 megawatts just a couple of years ago to perhaps 18 megawatts today. Okay, that’s a paltry figure compared to, say, North Carolina’s 557 megawatts (<http://www.seia.org/state-solar-policy/north-carolina>) or New Jersey’s more than 1200 megawatts (<http://www.njcleanenergy.com/renewable-energy/project-activity-reports/installation-summary-by-technology/solar-installation-projects>), but starting from next to nothing gives us a really fantastic growth curve.

The rapid drop in solar prices has been a major factor driving Virginia sales. Says Skinner, “With the advancements in the solar market over the past couple years, even here in Virginia, we have been inching closer to the 10 year or less payback period. We talk to people every day that tell us they’ll go solar here when the payback is less than 10 years. A standby charge reverses that trend based on an argument with flawed economics. While other states are making progress on the true value of solar, we’re here with our head held under water.”

He concludes, “Even while holding our breath we are still creating jobs and installing solar arrays all over our beautiful state. I was born and raised here, and I’m proud to work for a VA based company; we just need to get rid of these backward policies so we can keep moving forward.”

APCo’s rate case is PUE-2014-00026, which can be found on the SCC website (<http://www.scc.virginia.gov/index.aspx>). For a discussion of the standby charge proposal, look for the exhibit containing the testimony of Jennifer Sebastian. The deadline for submitting comments (<http://www.scc.virginia.gov/case/PublicComments.aspx>) on APCo’s application is September 9, 2014, and a public hearing will be held on September 16 at the SCC offices in Richmond.

Posted in Renewable energy, Solar, Uncategorized | Tagged APCo, Dominion Power, energy, environment, Prospect Solar, solar, Virginia | 10 Comments |

Dominion won’t explain ties to anti-clean energy “bill mill” ALEC

May 7, 2014 by Ivy Main

Dominion Resources, the parent of Dominion Virginia Power, held its shareholder meeting today in Cleveland, Ohio. Unhappy Dominion shareholders have introduced many resolutions over the years seeking to reform aspects of the company’s business practices, from buying mountaintop-removal-mined coal to exposing investors to risks from climate disruption. Although Dominion routinely challenges the resolutions, seeking to keep them off the ballot, this year half a dozen resolutions made it through the legal obstacle course to be voted on. One of the resolutions, submitted by the New York State Common Retirement Fund, called on Dominion to disclose its financial support for the secretive American Legislative Exchange Council, which works to defeat and roll back renewable energy and climate initiatives across the country. The resolution prompted guest blogger Seth Heald, in Cleveland today for the shareholder meeting, to offer this commentary.

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Ex. 1018



(https://powerforthepeopleva.files.wordpress.com/2014/05/dominion_power_plant-credit-ed-brown.jpg).

Dominion's coal-fired Chesterfield Power Station, on the James River, has been driving climate change since 1952. Photo credit Ed Brown, Wikimedia Commons.

In the past week or so communities across Virginia staged Earth Day festivals and other events to raise environmental awareness and support environmental protection. Virginia's largest electric utility, Dominion Virginia Power, had tables or booths at a number of these events, touting the company's environmental record.

The utility's parent corporation—Dominion Resources, Inc.—attempts to defend the company's environmental practices on its [website](https://www.dom.com/about/environment/report/index.jsp) (<https://www.dom.com/about/environment/report/index.jsp>).

Chief environmental officer Pamela F. Faggert [explains](https://www.dom.com/about/environment/report/a-message-from-pamela-f-faggert.jsp)

(<https://www.dom.com/about/environment/report/a-message-from-pamela-f-faggert.jsp>).

"[e]nvironmental awareness is the responsibility of each Dominion employee. It is woven into the fabric of our culture"

What you won't find on Dominion's website or in its Earth Day handouts is any mention of its work to undermine environmental protections through its financial contributions to the American Legislative Exchange Council, widely known as "ALEC." ALEC has been [described as "a corporate bill mill."](http://www.salon.com/2013/03/15/alec_makes_public_hundreds_of_model_bills/) (http://www.salon.com/2013/03/15/alec_makes_public_hundreds_of_model_bills/). It brings together corporations and state legislators and comes up with "model legislation" for the legislators to introduce back home. Sometimes state legislatures pitch in with their own additional financial support. A [report](http://www.progressva.org/alec/ProgressVA%20-%20ALEC%20in%20Virginia.pdf) (<http://www.progressva.org/alec/ProgressVA%20-%20ALEC%20in%20Virginia.pdf>) on ALEC's influence in Virginia, issued by the group Progress VA, states that between 2001 and 2010, Virginia spent over \$230,000 of taxpayers' money to send legislators to ALEC conferences "to meet with corporate lobbyists behind closed doors." The report notes that more than 50 bills drawn from ALEC sources have been introduced in the Virginia General Assembly in recent years.

ALEC gained notoriety recently because of its sponsorship of "stand your ground" laws, such as the one in Florida connected to the Trayvon Martin shooting death. According to [The Guardian](http://www.theguardian.com/world/2013/dec/03/alec-funding-crisis-big-donors-trayvon-martin) (<http://www.theguardian.com/world/2013/dec/03/alec-funding-crisis-big-donors-trayvon-martin>), more than 60 corporations withdrew from ALEC after that connection was publicized.

ALEC's proposed energy and environmental legislation reliably favors corporate polluters' interests over the environment. An ALEC model resolution intended to stymie efforts to address climate change expressed the goal of "prohibiting EPA by any means necessary from regulating greenhouse gas emissions, including if necessary defunding EPA greenhouse gas regulatory activities." [As reported in](#) [OBM and Cholla Energy](#) [EX-1018](#)

the *Virginian-Pilot* (<http://hamptonroads.com/2011/02/coal-bills-author-revealed-full>), a Virginia delegate introduced this resolution in the House of Delegates after it was presented to him by the coal industry. A different ALEC resolution called for opposition to “all Federal and state efforts to establish a carbon tax on fuels for electricity and transportation.” A list of ALEC model legislation is available at <http://www.alecexposed.org/> (<http://www.alecexposed.org/>).

The nonprofit watchdog Center for Media and Democracy reports (<http://www.sourcewatch.org/index.php/Dominion>) that Dominion Resources has participated on ALEC’s energy, environment and agriculture task force. A 2010 “roster” of people on that task force (obtained by the group Common Cause and posted online (http://www.commoncause.org/atf/cf/%7BFB3C17E2-CDD1-4DF6-92BE-BD4429893665%7D/eea_35daymailing%20dc.pdf)) includes Dominion executive Robert Blue, who currently is Dominion Virginia Power’s president. Blue and other Dominion executives served alongside Joseph Bast, president of the Heartland Institute—an extremist group notorious for its support of climate-science denial and comparing those who “still believe” in climate science to mass murderers.

Also on ALEC’s environment task force roster serving alongside Dominion executives were representatives of the American Petroleum Institute, Koch Companies Public Sector LLC (affiliated with Koch Industries and the Koch brothers), the American Coalition for Clean Coal Electricity (a coal-industry group that lobbies against carbon-emission restrictions), and the Koch-backed right-wing, anti-environment group Americans for Prosperity.

ALEC has been linked (<http://www.theguardian.com/world/2013/dec/04/alec-freerider-homeowners-assault-clean-energy>) to sponsorship of recent efforts to block or roll back state legislation that promotes renewable energy. ALEC has also backed (<http://thinkprogress.org/climate/2012/05/02/475270/alecs-top-five-anti-environment-model-laws/>), efforts to water down laws requiring disclosure of fracking chemicals, and efforts to block federal regulation of toxic coal-ash storage sites. (Federal regulation, had there been any, might have served to prevent the recent Duke Energy coal-ash spill in North Carolina, which flowed downstream into Danville, Virginia.)

You simply can’t square these anti-environment positions with Dominion’s professed corporate culture of environmental awareness, supposedly woven into the company’s very fabric. No wonder Dominion keeps quiet about its ALEC involvement.

At Dominion’s May 7 shareholder meeting I asked the company’s chairman and CEO, Thomas Farrell, II, why Dominion participates in ALEC and what the company gets from that participation. Farrell clearly didn’t want to say much. His entire answer was “We see value in it and that’s why we participate.”

EPA records reveal that Dominion is the largest emitter of carbon-dioxide pollution in Virginia. Meanwhile Virginia’s Hampton Roads area, where many Dominion customers live, is one of the most vulnerable places in the nation to harm from climate change caused by carbon emissions. Virginia continues to suffer from the recent Duke Energy spill of toxic coal ash into the Dan River.

ALEC’s efforts to block environmental protections harm all Virginians, indeed all Americans. The people of Virginia—Dominion’s customers—should press Dominion to work to reduce its carbon emissions sharply rather than waxing poetic about its environmental “culture” while quietly supporting groups like ALEC that seek to block efforts to address climate change.

Seth Heald is vice chair of the Sierra Club Virginia Chapter, and is also a Dominion Resources shareholder. He is a graduate student in the Master of Science in Energy Policy and Climate program at Johns Hopkins University.

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